

## General Improvement Districts (GIDs)

Last revised 10/23/19

General Improvement Districts (GIDs) are authorized under Title 31 of the Colorado Revised Statutes (§31-25 601) *et. seq.* and generally allow for the imposition of a property tax and the issuance of bonded indebtedness to construct, acquire, install and maintain most types of public facilities which can otherwise be provided by the City. As with metropolitan districts, GIDs can also impose certain fees and charges along with a mill levy. Unlike with metropolitan districts, GIDs are only an option for municipalities and cannot be created in unincorporated areas. Organization of a GID begins with a petition needing be signed by at least 30 percent (30%) or 200 of the registered electors who own taxable real estate within the proposed boundaries, whichever is less. Creation occurs by ordinance, as do any subsequent property exclusions or inclusions, which would be acted upon by Council in their capacity as the GID board. Dissolution is also accomplished by ordinance.

Unlike with a metropolitan district, a GID has no separately elected board of directors. City Council functions and separately convenes as the district board. Council has responsibility for performing an annual audit, adopting a budget and annually certifying a mill levy if necessary. By statute, the debt of the GID is not a financial or legal obligation of the City.

An elector for a GID is generally defined as eligible Colorado voters who are either residents of the area, or owners or spouses of owners of property within it.

There are currently only three active GIDs in the City, although at least six others have been dissolved within the past few decades, having paid off their debt obligations. Most recently, the Cottonwood GID was dissolved in 2016. As was recently reported to City Council, the Spring Creek GID is expected to be dissolved by 2021. The active GIDs are listed in the table below along with their mill levies and years of creation. Effectively, all three are operated for the sole purpose of meeting outstanding existing bonding requirements, and they will be dissolved once the bonds are paid off.

### City of Colorado Springs General Improvement Districts

#### With 2019 Mill Levies

Name	Year of Creation	2019 Mill Levy	Outstanding Principal Amount 1/1/2019
Spring Creek	1985	6.00*	\$535,000
Colorado Springs Briargate	2000	12.00	\$7,180,000
Marketplace at Austin Bluffs	2006	50.00	\$2,090,000

Source: El Paso County Assessor; 2018 mill levy, payable in 2019

\*The Spring Creek GID mill levy has been reduced in recent years in anticipation of its pending pay-off and dissolution

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Statewide, the Colorado Department of Local Affairs (DOLA) website lists “only” 54 active GIDs (as compared with over 1,800 active Title 32 metropolitan districts). Elsewhere in El Paso County, the only other active GIDs are two that exist in the City of Fountain. These are used as vehicle to allow/require certain developments to participate in the financing of identified larger scale public improvements.

Up until the early 2000s, General Improvement Districts were used more often because City policy did not allow the creation of development-specific metropolitan districts with their separate boards. Now that metropolitan districts are allowed, GIDs are used less often, at least in part because the control of all financial decisions rests with the City, and this limits the developer’s flexibility in using and adapting the district following its formation. Also, in the past, State statutes did not allow GIDs to perform ongoing operations and maintenance functions.

Several years ago, State law was changed to allow GIDs to provide ongoing services rather than just pay for improvements. This additional authority provides considerably more potential district policy flexibility for the City. Now that GIDs could be used for operations, the City could require that the GID option to be used even in cases where there were ongoing needs- in cases where a higher level of City Council involvement may be considered desirable. For example, a GID is being considered as a model for potential conversion of the existing Briargate Special Improvement Maintenance District (SIMD) to a new structure.